(194) Department.

SERIES.

Blk
15.6 ne

G.O. No. 510

510

Dated 25-5-45.

[Despatch Abstract.]

Elecy. Indian Electric Concerns - Accounts
for 1944-45 - Forwarded with remarks etc

ASIRI & SHAH
INCORPORATED ACCOUNTANTS
REGISTERED ACCOUNTANTS.
TELEGRAMS: "INCORPACT", MADRAS.
TELEPHONE: 3031.

106, ARMENIAN STREET,
MADRAS.

22nd October, 1945.

The Secretary to the Government.
Public Works Department,
Fort St. George,
Madras.

Dear Sir,

The Udipi Electric License
Accounts for 1944-45.

1/ We have examined the accounts of the above Licensee under the Electricity Act as per G.O. No. R 1309 dated 4th November 1943 for the year ended 31st March 1945 and have certified the relative statements. We beg to report thereon as unde-

2/ No.I SHARE CAPITAL ACCOUNT: The Paid up Capital of the Company has been increased during the year from Rs.1,78,815/- to Rs.2,51,060. The difference of Rs.72,245/- is made up of 5,467 shares of Rs.10/- each subscribed and paid up during the year and Rs.17,575/- being the collections of the Calls in Arrears of the previous year.

3/ No. II LOAN CAPITAL ACCOUNT: The Debenture Loan of Rs.56,000/- has been completely redeemed during the year.

4/ No. III CAPITAL ACCOUNT: In your order No. M.S. 609 dated 7-3-1945 a reference was made to our report on the accounts of the Licensee for 1943-44 wherein we opined that the Debenture Loan was in respect of the "Original Works" of the Company and as such the relative interest could be capitalised. We agree with you that the expression "Original Works" connotes a self contained scheme which requires the erection of generating sets. The "Original Sets" which we referred to in our said report were the sets connected with the "self contained scheme" at the outset. The Licensee did not expand the area since then and there was no necessity for him to undertake any major extension scheme. As the Debenture Loan was for payment of the cost of the sets used for the self contained original scheme the nature of the capital expenditure cannot be altered because the outstanding cost of the sets was paid after switching on.

5/ Should you, however, still hold that the said Debent... Loan was not for "Original Works", we beg to report that the Licensee has not written back the previous year's interest of Rs.3,360/- from the Capital Account to the Revenue Account. On the other hand he has capitalised to Plant & Machinery Account a further sum of Rs.2,287-8-0 being the interest on the said debentures upto the date of redemption during the year under audit.

6/ The sum of Rs.1,500/- capitalised in the accounts of 1943-44 under Engineering and Development Expenses has not been written off as directed in your aforesaid G.O. pp 1920

7/ No portion of the Engineers of the Management salaries or any other items of revenue expenditure has been capitalised during the year.

NO. IV REVENUE ACCOUNT: The salaries of the Engineers have been analysed under Generation, Distribution and Management in the ratio of 30: 30: 40 respectively.

9 The following are the details of the General Establishment charges shown under E. Management Expenses.

Salaries	Rs.2,699	5	8
Postage & Telegrams	296	10	11
Printing & Stationery	607	10	10
Electric Charges	35	-	4
Telephone Expenses	85	6	6
Bank Commission	117	8	5
Sundry Expenses	31	9	-
Advertisement Charges	20	-	-
Travelling & Conveyance	89	10	5
Repairs to Furniture	25	2	10
	4,908	-	11

10 The details for the Miscellaneous Receipts from Consumers are as follows:

Reconnection Charges	Rs.	365	12 -
Fuse renewal charges		45	4 -
Charges for shifting positions of services and meters		61	3 8
Surcharges for late payment		108	5 1
		580	8 9

A sum of Rs.2,000/- only has been charged to the Revenue Account towards provision for Depreciation. The amount is very inadequate in our opinion.

NO. VII DEPRECIATION FUND ACCOUNT: No portion of the depreciation fund has been invested in Government or Trustee Securities while the requisite amount of the Consumers' Deposit has been invested.

We enclose herewith our bill in triplicate for the services rendered on behalf of the Government.

Yours faithfully,

S. M. Shah

Duplicate. 3

Telegrams: "INCORPACT." SASTRI & SHAH Telephone: 3031.

Incorporated Accountants,
Registered Accountants,
106, Armenian St., Madras.

No. B 90. 20th October, 45
22nd

The Udipi Electric Supply Corporation Ltd
through the Secretary to the Government,
Public Works Department, Chepauk, Madras.

	Rs. a. p.	Rs. a. p.
For auditing the accounts of the Company on behalf of the Government for the year ended 31st March, 1945.		
4 hours for Principal @ Rs.15/- per hour	60 - -	
8 " " asaistant @ Rs.5/- per hour	40 - -	
		100 - -

Rupees One hundred only. Sastri & Shah 100 - -

E.&.O.E.

18
13.11.

P.W.D.

Endt No 5383 I/45-2 dt 13-11-45.

Referred to the C.E.I.C for remarks.

13-11-45

for Secretary to Govt

To the C.E.I.C

(~~Applicant~~ with a duplicate copy placed below)

Rlr
9/11/45

9.11.45

THE UDIPI ELECTRIC

THE UDIPI ELECTRIC SUPPLY C

FOR THE YEAR ENDED 3

NO. I. STATEMENT OF SHARE CAPITAL APPROPRIATED FOR THE PURPOSES OF THE U

Description of Capital	Authorised by	No. of Shares issued	Nominal amoun of share
			Rs.
Ordinary Shares	Memorandum and Articles of Association	18,500	10/-
6½% Tax Free Cumulative Preference Shares		6.000	10/-
3% Cumulative Preference Shares		2,000	10/-

NO. II. STATEMENT OF LOAN CAPITAL APPROPRIATED FOR THE PURPOSES OF THE U

Description of Loan	Amounts Borrowed
Nil	Nil

SASTRI & SHAH
INCORPORATED ACCOUNTANTS
REGISTERED ACCOUNTANTS.
MADRAS.

LICENCE 1937.

RPOR TION LIMITED, MADR S.

st MARCH 1945.

OUNT KING AUTHORISED BY THE ABOVE MENTIONED LICENSEE AT THE END OF THE YEAR.

Called up per share	Total Paid up	Issued but not paid up	Remaining unissued	Total amount authorised
Rs.	Rs.	Rs.	Rs.	Rs.
10/-	-,84,530/-	470/-	35,000/-	2,20,000/-
10/-	59,950/-	50/-	Nil	60,000/-
10/-	10,030/-	9,970/-	Nil	20,000/-
	2,54,510/-	10,490/-	35,000/-	3,00,000/-
Less Calls in arrears	3,450/-			
Total amount paid up	2,51,060/- ✓			

MT. KING AUTHORISED BY THE ABOVE MENTIONED LICENSEE AT THE END OF THE YE R.

At	Remaining Borrowing Powers	Total amount of Borrowing Power	
			Rs.
		Debentures for	56,000/-
		Less redeemed	56,000/-
		Balance	---

Total Share Capital paid up See. No.I. Rs.2,51,060/-

Total Loan Capital received " " II. " ---

Total Capital received 2,51,060/-

FOR THE MODIPI ELECTRIC SUPPLY CORPORATION LTD.
FOR THE MECHELEC ENGINEERING CO. LTD.

Engineer-in-Charge. Managing Agents.

THE UDIPI ELECTRIC S

NO. III. CAPITAL ACCOU

DR.

	Expenditure upto end of previous year	Expended during the year	Total Expenditure to 31st March 1945
	Rs. a. p.	Rs. a. p.	Rs. a. p.
To Preliminary Expenses	6,328 10 7		6,328 10 7
" Buildings	20,792 13 6	231 12 3	21,024 9 9
" Plant & Machinery	84,431 4 3		88.860 13 3
" Mains	89,199 11 9		89.199 11 9
" Service Connections	6,044 3 7	103 5 6	6,147 9 1
" Transformers	3,095 - -		3 095 - -
" Meters & Fees for certifying under the Act	5,985 9 2	619 4 -	604 13 2
" Special Items:			
" Brokerage and Commission on Shares	1,928 - -	667 13 -	595 13
Engineering Development Expenses	6,000 - -		000
" Public Light fittings	2,012 5 10		2,012 5 10
" Furniture and Fittings	2,008 1 8	191 2 2	3 11
" Library	250 12 -		250 12 -
" Motor Car and Cycles	937 - -		937 - -
" Meter testing equipment		500 -	500 - -
" Tools and Instruments	1,475 8 -	50 13 -	1,526 5 -
TOTAL EXPENDITURE	2,30,489 - 5	3,793 10 11	2,37,282 11 4
To Balance of Capital Account			14,002 4 8
			2,51,285 - -

PPLY CORPOR TION LIMITED, MADR S.

FOR THE YE R ENDED 31st M RCH 1945.

CR.

	Receipts upto end of previous year	Received during the year	Adjusted during the year	Total Receipts to 31st March 1945
	Rs.	Rs.	Rs.	Rs.
By Ordinary Shares of Rs.10/-each	1,09,285/- ✓	72,245,	---	1,81,530/-
6½% Tax free Cumulative Preference Shares of Rs.10/-each	59,950/- ✓	---	---	59,950/-
3% Cumulative Preference Shares of Rs.10/-each	9,580/- ✓	---	---	9,580/-
Debentures	56,000/- ✓	---	56,000/	
Forfeited Shares Account	225/- ✓	---		225/-
	2,35,040/- ✓	72,245/-	56,000/-	2,51,285/-
				2,51,285/-

THE UDIPI ELECTRIC SU
H D.

NO. IV. REVENUE ACCOUNT FOR TH

DR.

	Rs. a. p.	s. a. p.
A. GENERATION.		
To Fuel Oil	10,730 5 11	
" Lubricating Oil	2,843 - -	
" Engine Room Stores	201 4 9	
" Proportion of Salaries of Engineers, Superintendents & Officers	414 - -	
" Wages & Gratuities being salaries of Power House Staff, etc.	2,774 9 -	
" Repairs & Maintenance as follows:		
Buildings	80 7 5	
Plant	1,458 3 5	
Special Items: General Expenses	634 14 3	
	----------	19.136 12 9
B. DISTRIBUTION.		
To Proportionate Salaries of Engineers, Superintendents & Officers	414 - -	
" Wages & Gratuities being salaries of Line staff	1,651 9 6	
" Repairs, Maintenance & Renewals:		
Mains	491 5 6	
Meters	160 7 11	
" Special Items:		
Repairs, Maintenance & Renewals.		
House Service Connections	101 13 5	
Cycles	7 5 -	
Tools	2 2 -	
		2,508 10 6
C. PUBLIC LAMPS		
To Attendance & Repairs	16 15 6	
" Renewals	665 4 11	
		682 4 5
D. RENTS, RATES & TAXES.		
To Rents	1,068 10 5	
" Rates & Taxes	142 1 9	
	----------	1,210 12 2
E. MANAGEMENT EXPENSES.		
To Directors' remuneration including Travelling Expenses	231 5 -	
" Management	2,400 - -	
" General Establishment Charges	4.908 - 11	
" Proportionate salaries of Engineers, Superintendents & Officers	552 - -	
" Auditors of Company	300 - -	
" " appointed under the provisions of the Act	100 - -	
	----------	8,491 5 11
F. LAW EXPENSES.		
To Law Charges		300 - -

	C/F.	32,329 13 9

SASTRI & SHAH
INCORPORATED ACCOUNTANTS
REGISTERED ACCOUNTANTS.
MADRAS.

LY CORPOR TION LIMITED,

YEAR ENDED 31st MARCH 1945.

CR

	Rs. a. p.	Rs. a. p.
By Sale of energy for Lighting Purposes	24,444 13 6	
" " " Power	3,132 1 -	
" " " " under Special Contracts	3,563 12 -	
	31,140 10 6	
Less Rebate on Consumers' bills	658 5 -	30,482 5 6
" Public Lighting		2,994 15 4
" Maintenance of Public Lights		654 - -
" Rental of Meters & Public Light Fittings		2,997 9 11
" Transfer Fees		10 - -
" Miscellaneous Receipts from Consumers		580 8 9
" War condition Surcharges		9,435 3 8

FOR THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.
FOR THE MECHELEC ENGINEERING CO, LTD.

Engineer-in-Charge Managing Agents.

C/F. 47,154 11 2

THE UDIPI ELECTRIC SUPPLY CO

NO.IV. REVENUE ACCOUNT FOR THE

DR.

	Rs. a. p.	Rs. a. p.
B/F.		32,329 13 9
G. DEPRECIATION.		2,000 - -
H. SPECIAL CHARGES:		
Insurance		115 15 4
Total Expenditure		34,445 13 1
To Balance carried to Net Revenue account		12,708 14 1
		47,154 11 2

NO. V. NET REVENUE ACC

DR.

	Rs. a. p.	Rs. a. p.
To Interest on Debentures accrued due to date.	2,287 8	
Less Capitalised to Plant & Machinery	2,287 8	
" Interest on temporary Loans received due to date		4 3 5
" Interest on Security Deposits of Consumers		244 - 8
" Capital Issue expenses		1,469 9 -
" Debenture Trustee remuneration		111 1 9
" Balance applicable to dividend on Ordinary Shares		11,731 2 9
		13,

NO. VI. RESERVE FUN

PORATION LIMITED, MADRAS.

YEAR ENDED 31st MARCH 1945.(contd.)

CR.

	Rs. a. p.	Rs. a. p.
B/F.		47,154 11 2
		47,154 11 2

UNT.

CR.

	Rs. a. p.	Rs. a. p.	Rs. a. p.
By Balance from last account		12,040 1 7	
Less Dividend paid:			
Arrears of 1942-43.			
On 6½% (Tax free) Cumulative Preference Shares	3,890 4 9		
" 3% Cumulative Preference Shares	88 6 7		
Dividend for 1943-44.			
On 6½% (Tax free) Cumulative Preference Shares	3,896 3 3		
" 3% Cumulative Preference Shares	264 1 1		
Dividend on Ordinary Shares	3,381 15 7		
		11,530 15 3	
By Balance brought from Revenue account (No.IV)			509 2 4
" Interest on Investments			12,708 14 1
" Profit on sale of Materials			22 8 -
" Sale proceeds of scrap Materials			220 9 -
			99 - 2
			13,560 1 7

CR.

THE UDIPI ELECTRIC SUPPLY CORP

NO. VII. DEPRECIATION F

	Rs. a. p.
DR.	
To Balance	10,000 - -
	10,000 - -

NO. VIII. GENERAL BALANCE

LIABILITIES.

		Rs. a. p.	Rs. a. p.
To.	Capital Account: Amount received as per account No.III.		2.51,285 - -
"	Sundry Creditors:		
	For goods supplied	2,695 - 11	
	" Expenses	1,465 15 11	
	" Other Finance	299 1 4	
			4,460 . 2 2
			7.644 11 10
"	Consumers Deposits		
"	Net Revenue account Balance at credit thereof		11,731 2 9
"	Depreciation Fund Account		10,000 - -
"	Special Items:		
	Unclaimed Dividends		804 13 6
			2,85,925 14 3

Madras,

Sastri & Shah
INCORPORATED ACCOUNTANTS,
REGISTERED ACCOUNTANTS,
AUDITORS.
28/9/19.

1+4.

SASTRI & SHAH
INCORPORATED ACCOUNTANTS
REGISTERED ACCOUNTANTS.
MADRAS.

...R.TION LIMITED, MADR S.

...ID /CCOUNT.

	Rs. a. ap.	CR.
...alance from last account	8,000 - -	
...mount brought from Revenue account (No.IV)	2,000 - -	
	10,000 - -	

...HEET.

ASSETS.

	Rs. a. p.	Rs. a. p.
...apital Account: Amount expended for works as per Account No.III.		2,37,282 11 4
...tores on hand		27,418 12 3
...undry Debtors		9,600 3 8
Investments:(at Cost)		
Consumers' Security Deposits:		
3½% 1957 Victory Loan (at cost) (market value Rs.1,998-12-0)		2,000 - -
Special Items:		
Prepaid expenses & advance		1,402 13 7
...ash at Bankers		7,370 12 6
...ash on hand and at Branches		270 12 11
...ash in transit to Branches		579 12 -
		2,85,925 14 3

For THE UDIPI ELECTRIC SUPPLY CORPORATION LTD.
OR THE MECHELEC ENGINEERING CO. LTD.

...ngineer-in-Charge. Managing Agents.

THE UDIPI ELECTRIC SUPPLY CORPORATION LIMITED.

NO. IX STATEMENT OF ENERGY PURCHASED, SOLD ETC., DURING 1944-45.

Total Energy purchased in Kilowatt hours.	KILOWATT HOURS SOLD.				Kilowatt hours used on works.	Kilowatt hours not accounted for	Kilowatt hours accounted for	Kilowatt hours connected for public lamps.	Total consumers connected.	Total Kilowatts connected.	Plant kilowatts connected.	Maximum demand in Kilowatts.
	Public Lamps.	By special contract.	Consumers by meters for lighting purposes	Consumers by meters for power purposes.	Total.							
1,56,482	14,657	26,910	66,151	22,412	1,30,130	15,075	11,277	1,40,205	217	604	101.25 at Udipi 19.26 at Karkal	147 at Udipi 15 at Karkal	105 at Udipi 16 at Karkal

for The Udipi Electric Supply Corpn. Ld.,
for The Mecheleo Eng. Co.,Ld.,Mg.Agets.,

D. V. Ramachandra

ENGINEER-IN-CHARGE.

ELECTRICITY DEPARTMENT.

From

Sri K.V.Karanth, M.A.,
Chief Electrical Inspector to Government,
Post Box 417, Chepauk, Madras.

2072

To

The Secretary to Government,
Public Works Department, Madras.

No.5687 D/45-4 dated 25-4-46.

Sir,

Sub: Accounts - Udipi Electric licence-Accounts for 1944-45 -Remarks submitted.

Ref: Government endorsement No.5383 I/45-2 dated 13-11-45.

p4 note

p5.1 note

The accounts of the Udipi electrical undertaking for 1944-45 have been scrutinized and the following remarks are submitted.

2. The accounts under review relate to the 6th year of operation.

3. The important features of working are as extracted below:

	1943-44	1944-45
1. Total capital expenditure to end of	Rs.2,30,489	Rs.2,37,283
2. Total operation and maintenance expenditure	27,856	34,344
3. Total expenditure against revenue	35,773	36,173
4. Revenue from electric supply	32,163	33,477
5. Total revenue from working	43,620	47,395
6. Gross profit	12,267	12,709
7. Net profit for the year (+) or (-)	(+) 7,847	(+)11,222
8. Net profit from General Balance Sheet upto the end of the year (+) Or(-)	(+)12,040	(+)11,731
9. Cost per unit generated	1.73 as.	1.96 as.
10. Working cost per unit(generated)	3.86 as	3.70 as
11. sold	4.79	4.4[illegible]
12. Total units generated	1,48,142	1,56,482
13. sold	1,19,371	1,30,130
14. Total number of consumers	584	604
15. Maximum Demand at (i) Udipi (ii) Karkal	71 K.W. 13 "	105 K.W. 16
16. Dividend declared on ordinary shares	4% tax free	4% tax free.

4. No. III -Capital Account.

During the year under review a further sum of Rs.2,2[illegible]-[illegible]-0 representing the interest paid on debentures has been capitalised. The capitalisation is not in order for the reasons stated in para 2(b) of G.O.No.609, P.W.D. dated 7-[illegible]-45 (issued on the accounts for 1943-44). The licensee may be

instructed to withdraw from the capital account this amount also in the accounts for 1945-46.

5. No.IV- Revenue Accounts.

The items "General establishment charges Rs.4908-0-11" under "E-Management" on the Dr side is reported to include " Inspection fees for the inspection of Electrical Inspector". This item should properly be exhibited under "H-Special charges The licensee may note this for future guidance.

6. No.- V- Net Revenue Account.

With regard to the item "Profit on sale of materials Rs.220-9-0" exhibited on the credit side, I have ascertained from the auditors that the materials sold include bulbs, switches, ceiling roses and other materials, though not enjoined on the licensee by the Indian Electricity Act, is reported to have been effected in order to cater to the immediate needs of consumers when such materials were not available elsewhere in the locality. The explanation may be accepted. But, the licensee may be advised not to include such transactions in future, in the accounts submitted to Government under the Indian Electricity Act.

7. Action taken by the licensee on G.O. No.609 P.W.D. dated 7-3-45 (issued on the accounts for 1943-44.

(i) Para 2(b) "The licensee has not withdrawn this sum of Rs.3360/- representing the interest on debentures capitalised from the capital account. The reasons for this have been explained in para 4 of the audit report for 44-45. I carefully considered them and am of opinion that there is no case for the revision of the orders ~~xisxr~~ already passed for the following reasons:-

1 What the auditors have now stated was already more fully explained in licensee's letter No.U.391/42 dated 30-7-42 to Government . No fresh points have been put forth by the auditors.

The reasons given in my letter No A 15/40-41/854 dated 10-10-42 for not considering the erection of the supplemental sets as original work hold good even now

3. The permission to capitalise interest upto 5% granted by way of concession in Government letter No 2096 VII 42/2 dated 22-10-42 is for 1940-41 only."

(ii) Para 2(c) The licensee requests that he may be allowed to write off the amount(Rs.1500/-) within the licence peridd as the net profit after providing for dividends is Rs.152-5-0 only at the end of 44-45.

(iii) Paras 3(~~a~~ & ~~b~~). The instructions have been followed in the accounts for 44-45.

(iv) Para 5. The licensee has earmarked the investment of Rs.2000/- in 3½%, 1957 Victory Loan towards "consumers" security deposits in 1944-45 and has reported that similar arrangements are being made in respect of depreciation fund. This will be watched during the scrutiny of the accounts for 1945-46 and commented upon, if necessary.

(v) Para 6. A lump sum provision of Rs.2000/- has been provided for depreciation in the Revenue Account for 44-45. I agree with the auditors' remarks in para 11 of ~~his~~ report for 44-45 that the provision is quite inadequate. The licensee may be instructed to provide for depreciation itemwar and in accordance with the revised rates of Income-tax Act.

General.

The licensee has reported that no portion of the preliminary, Debenture issue and Engineering and development expenses could be written off during the year under review on account of the inadequacy of profit owing to war conditions. He, therefore, requests to be permitted to commence the writing off after normal conditions are restored when, it is reported, he will be in a position to set apart increased amounts for the purpose. There is no objection to this.

9. The auditors' bill of charges for Rs.100/- for work done on behalf of Government is the same as that for 1943-44 and is recommended for payment by the licensee.

Chief Electrical Inspector
to Government.

SR/CSS/26-4-46.

Encls: One copy of accounts for 44-45
Audit Report.
bill
Government reminder.

26/1515 dt 8/1515

T.M No 5383 I/45-3 d 15-5-46

To,

The C.E.I.Gn.

Sub Electricity - Indian Electric Licence -
Accounts for 1944-5

Ref your letter No 5687 D/45-4 d 25-4-46

Please refer ~~to your reference~~ to para 7(ii) of your letter cited above, ~~regarding para 2(c) of~~ ~~your No 4869 Pol d 7-3-45~~. It is presumed that there is no objection to sanction being accorded to the licensee's request, ~~for writing off~~ that he may be allowed to write off the amount of Rs 1500/- within the licence period. ~~as the~~

18

~~net profit after providing for dividends~~ ~~Rs.152-5-0~~

~~only at the end of 1944-45~~. Please confirm: Copy by post.

PSN
T35-46 14/5/46.

N
14.5.46

OFFICE OF THE F252 C.F. 894.

Date 20 MAY 1945 1940, Hours Minutes

TELEPHONIC MESSAGE

From C.S.I.G. | To Mr Secy Finance P.W.D.

Sub Account Medical Stores Line - Accounts for 1944-1945

The Presumption of Good- Continued on post-copy of T.M. No. S 883 I/45-3 d-15-5-45. pp 17-18

It is cried

R.R. 20-5-45

Ka/2/15

C.F. 16.

11/2/15

DRAFT FOR APPROVAL.

Date. Initials.

When received for fair copying

When copied

When examined.

When signed

When despatched.

SUBJECT :— Electricity — Indipi Electric Licence — Accounts for 1944-5 — Recorded with remarks

READ AGAIN ....., dated ..... 19.....

" " ..... " ..... 19.....

READ *ALSO* :—

C/No. 2072 This From the Messrs. Sastri & Shirali Road Accountant } No. Nil , dated 22-10-1945

7

Order ~~Resolution~~ ~~Rout.~~ No. 1510 dated 12th May Y. 1946

Recorded

pb cf

2. NO III Capital Account.

Para 4 on pp 13-14 cf

During the year under review a further sum of Rs 2,287-8-0 representing the interest paid on debentures has been capitalised. For the reasons stated in para (2) of Gf/o no 6041-W a 1-3145 (issued on the accounts for 1943-4), the capitalisation is not in order. The licensee is requested to withdraw from the capital account this amount and to show it in the accounts for 1945-6

p. 21 of ⊕

pp 7-8 cf

3. NO IV Revenue Account.

Para 500 p 149 cf

The item "General establishment charges Rs 4908-0-11" under E. Management on the Dr. side is requested to include "Inspection fees for the inspection of electrical

Inspector This item should be properly be exhibited under "H. Special charges" The licensee is requested to note this for future guidance. Para 5 on p 14

4. NC V Net Revenue Account p 84

With regard to the item "Profit on sale of materials Rs 220-9-0" exhibited on the credit side, it is reported that the material sold include bulbs, switches, ceiling roses and other wiring materials. The sale of such materials, though not enjoined on the licensee by the Indian Electricity Act, is reported by the auditor to have been effected in order to cater to the immediate needs of consumers when such materials were not available elsewhere in the locality. The explanation of the auditor is accepted The licensee is, however, advised not to include such transactions in future in the accounts submitted to Govt under the Indian Electricity Act

5 Action taken by the licensee on G.O. No 609 Power dated 7-3-45 issued on the accounts for 1943-44. p 21-22 J

Para 2(b) of G.O. No 609 Pr. dated 7-3-45 p 21 :a)

The licensee has not withdrawn the sum of Rs 3300/ representing the interest on debentures capitalised from the capital account. The auditor contended that as the Debenture loan was for payment of